

Message Text

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PAGE 01 STOCKH 03618 121235Z

44

ACTION L-03

INFO OCT-01 EUR-25 ISO-00 AF-10 NEA-10 INT-08 SCEM-02

CIAE-00 DODE-00 PM-07 H-03 INR-10 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SPC-03 SS-15 USIA-15 ACDA-19

IO-15 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 SCI-06

/230 W

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R 121111Z OCT 73

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 844

INFO AMEMBASSY LONDON

LIMITED OFFICIAL USE STOCKHOLM 3618

E.O.11652: N/A

TAGS: PFOR ENRG SW LY

SUBJECT: BP AND LIBYAN OIL

DEPT FOR SCHWEBEL (L)

REF: SCHWEBEL-OLSEN LETTER SEPT 7

THE BP/LIBYA CONCESSIONAL TRIBUNAL CONSISTING OF SOLE
ARBITRATOR GUNNAR LAGERGREN MADE ITS OCT 10 DECISION
IN FAVOR OF BP. WE DO NOT HAVE TEXT OF DECISION AS YET
BUT ADVOCATE GILLIS WETTER HAS GIVEN US COPY OF BP
ANNOUNCEMENT DESCRIBING AWARD. ANNOUNCEMENT MADE PUBLIC
IN LONDON EVENING OF OCT 11. TEXT FOLLOWS:

A. "JUDGE GUNNAR LAGERGREN, THE EMINENT SWEDISH
APPEAL COURT JUDGE, APPOINTED BY THE PRESIDENT OF THE
INTERNATIONAL COURT OF JUSTICE TO ACT AS ARBITRATOR IN
THE ARBITRATION BETWEEN BP EXPLORATION (LIBYA) LIMITED
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AND THE GOVERNMENT OF THE LIBYAN ARAB REPUBLIC RENDERED

AN AWARD ON THE MERITS OF THE CASE ON 10TH OCTOBER 1973.

B. THE ARBITRATOR FOUND THAT THE LIBYAN NATIONALISATION OF BP'S INTEREST IN CONCESSION 65 WAS A FUNDAMENTAL BREACH OF THE CONCESSION AND THAT IT CLEARLY VIOLATED INTERNATIONAL LAW. IT WAS MADE HE SAID "FOR PURELY EXTRANEIOUS POLITICAL REASONS AND WAS ARBITRARY AND DISCRIMINATORY IN CHARACTER." HE ADDED THAT "NEARLY TWO YEARS HAS NOW PASSED SINCE THE NATIONALISATION AND THE FACT THAT NO OFFER OF COMPENSATION HAS BEEN MADE INDICATES THAT THE TAKING WAS ALSO CONFISCATORY." THE ARBITRATOR ALSO FOUND THAT IN FACT THE LIBYAN ACTION HAD PUT AN END TO THE CONCESSION NOTWITHSTANDING THE ILLEGAL CHARACTER OF THAT ACTION.

C. FINALLY THE ARBITRATOR HELD THAT BP IS ENTITLED TO DAMAGES ARISING FROM THE UNLAWFUL ACT OF THE LIBYAN GOVERNMENT WHICH ARE FOR ASSESSMENT IN SUBSEQUENT PROCEEDINGS BEFORE THE ARBITRATOR."
OLSEN

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: smithrj
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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US Department of State
EO Systematic Review
30 JUN 2005

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To: STATE
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